



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

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Janet Napolitano
Governor

David A. Berns
Director

January 18, 2005

WIA Guidance Letter #02-05

SUBJECT: WIA Title IB Youth Procurement Guidelines

REFERENCE: P.L. 105-220, §112(b)(18)(B), §117(d)(2)(B), §117(e), §117(h)(4)(B)(i) and (ii), §123, the Workforce Investment Act of 1998; 20 CFR Part 652 et al, §661.310, §664.405(a)(4), and §664.610 WIA Final Rules dated August 11, 2000; Training and Employment Guidance (TEGL) 9-00 dated January 23, 2001

BACKGROUND: In December 2003, the Department of Labor – Employment and Training Administration conducted its bi-annual review of the state's WIA Title IB programmatic and fiscal activities. Under terms of the review, guidelines have been developed and are hereby issued to all local workforce investment areas (LWIAs), pertaining to the procurement of youth services through open, competitive processes as required in the Act and its regulations. It is the intent of these guidelines to clarify and promote federal compliance for the benefit of WIA eligible youth statewide.

Attached to this letter are the following documents:

- (1) **State of Arizona Procurement Guidelines – Provision of Youth Services by Local Workforce Investment Boards under Title IB of the WIA**
- (2) **Addendum** to the above document, designed to present answers to frequently asked questions surrounding the youth procurement guidelines. Please note that the Addendum will be amended as necessary to respond to additional questions/concerns that may arise as local areas institute the attached procurement guidelines.

In concert with issuance of the above information, the state will arrange for training and technical assistance to be provided to all LWIAs upon request, to facilitate expedient procurement of youth services and subsequent issuance of contracts to youth providers.

ACTION REQUIRED: Please distribute this letter and its attachments to all staff associated with the procurement and delivery of youth services. To request training and technical assistance related to these matters, contact Bill Gadzia at 602-542-2484 or wgadzia@azdes.gov.

Sincerely,

A handwritten signature in black ink that reads "Lela Alston".

Lela Alston
WIA Section Manager
Employment Administration

Attachments (2)

Requests for Proposal	A process, including relevant documentation, that invites offers from service providers for the delivery of specific WIA-related services, and includes receipt of information necessary for an objective evaluation of and comparison to similar offers.
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EXCLUSIONS:

Procurement of the following types of services are excluded from these guidelines:

Delivery of training services in accordance with 20 CFR, Subpart D and Subpart E:

- ▶ through providers currently eligible per the state Eligible Training Provider List (ETPL) and the Individual Training Accounts (ITA) process.
- ▶ through contracts with providers of on-the-job training (OJT) or customized training.
- ▶ through contracts with community-based organizations (CBOs) or other private organizations designed for special participant populations facing multiple barriers to employment.

PROCUREMENT OF YOUTH SERVICES

Section 123 of WIA requires the selection of youth providers through a competitive selection process. Each Local Workforce Investment Board (LWIB), with recommendations from its Youth Council and in accordance with criteria outlined in the State WIA Five-Year Strategic Plan, is afforded the opportunity to identify providers of youth services that effectively address the needs of local youth.

(A) The competitive procurement of youth services applies to the following design elements of local WIA Title IB youth programs:

- Tutoring, study skills training, and instruction leading to secondary school completion, including dropout prevention strategies
- Alternative secondary school offerings [e.g. General Education Diploma (GED)]
- Paid and unpaid work experiences, including internships and job shadowing
- Occupational skills training
- Leadership development opportunities, which include community service and peer-centered activities encouraging responsibility and other positive social behaviors

(e.g. exposure to post-secondary education opportunities, community/service learning projects, teamwork/team leadership, decision-making, and life skills).

- Supportive services which may include assistance with transportation, child care and dependent care, housing, referrals to medical services, appropriate work attire and related tools including protective eyewear.

Local Boards are urged to develop RFPs in a manner which encourages meaningful competition and increases choices for youth customers. The State would encourage a process under which potential providers are allowed to bid on those services for which they are qualified. This is as opposed to a “bundled” process under which potential bidders must bid on most or all services in order to be considered as a qualified bidder.

(B) The competitive procurement of youth services need not apply to the following design elements of local Title IB youth programs when these elements are offered and/or administered by the local grant recipient or fiscal agent. Competitive procurement for the following elements is allowable, but is not required, for these design elements:

- Intake

Program registration, eligibility determination and collection of information to support eligibility verification, pre-screening of potential participants and general orientation to self-help services, and referrals to other services.

- Objective assessment

Identification of service needs, academic levels, goals, interests, skills levels, abilities, aptitudes, and supportive service needs, and measures of barriers and strengths; review of basic and occupational skills, prior work experience, employability potential, and developmental needs.

- Development of the Individual Service Strategy (a product of the objective assessment)
- Case management services that are part of the overall Individual Service Strategy, apart from such services offered by providers that were competitively selected.

- Summer employment activities

Note (1) If providers other than the grant recipient or fiscal agent are to operate summer youth employment programs, these providers must be selected on a competitive basis.

Note (2) Whether summer employment opportunities are competitively selected or directly provided by the grant recipient or fiscal agent, evidence of a direct linkage between employment and academic or occupational learning must be documented.

Grant Recipient as One-Stop Operator

If the grant recipient or sub-recipient (as designated by the chief elected official or the Governor) is also the One-Stop Operator, the Operator may provide the program design elements shown in **(B)** above without competition. One-Stop Operators that are not local grant recipients or sub-recipients may apply to provide program design components in any competitive selection process, where such components are not solely provided by the local grant recipient.

(C) Statewide discretionary funds (i.e. 15% set-asides) used for required or allowable youth activities, including those described in (A) and (B) above, are generally not subject to the competitive selection process, but are subject to State procurement rules. EXCEPTION: If portions of the 15% set-aside funds are allocated by formula to all local areas to augment formula-funded youth activities, the competitive selection process does apply to these additional funds.

(D) Statewide funds used to provide additional assistance to local areas with “high concentrations of eligible youth” are exempt from the competitive selection process, but are still subject to applicable State procurement rules.

Local Boards must maintain a procurement system that ensures compliance with the prescribed rules and regulations. At a minimum, the procurement system must ensure:

- ◆ Solicitation methods that promote fair and open competition
- ◆ A written code of conduct that includes specific conflict of interest provisions, to ensure that those who develop or issue a proposal, or are involved in the selection process, are separate and distinct from those who bid upon it.
- ◆ A clear and accurate description of the services being procured.
- ◆ A specific contract time frame with the option to extend the contract for a specified period based on a provider's compliance with the terms of the contract.

In addition, as outlined in the State Five Year Strategic Plan dated July 2000, each LWIB must use the following criteria in awarding contracts for youth services:

- ◆ Ability to measure and attain youth-related core performance levels.
- ◆ Participant and employer (customer) satisfaction levels.
- ◆ Process for conducting skills and needs assessments and performance goals and objectives for each youth participant.
- ◆ Coordination with local secondary and post-secondary institutions.
- ◆ Prior experience working with disadvantaged, special populations, and in operating education training and employment programs.
- ◆ Leveraging funds with other funding sources.
- ◆ Fiscal accountability

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- ◆ Program design that includes the following components: (1) an objective assessment for each participant; (2) individual service strategies (ISS); (3) services that prepare youth for post-secondary educational opportunities, link academic and occupational learning, prepare youth for employment, and provide connections to intermediary organizations linked to the job market and employers.

LACK OF QUALIFIED YOUTH PROVIDERS

In rare instances, local workforce investment areas may lack receipt of proposals that allow youth services to be competitively awarded. In such instances, an LWIB, in cooperation with the Youth Council, must complete the following steps within seven (7) business days of the proposal deadline established in the RFP:

Step 1: Submit a written request to the state WIA grantee – DES Employment Administration/WIA Section - for a formal review of (1) the proposal document (RFP) provided to potential bidders, and (2) the bidding process used to collect each bid. A written request must be mailed to:

DES – Employment Administration/WIA Section
Attn: Youth RFP Review
1789 West Jefferson – Site 920Z
Phoenix, AZ 85004

Step 2: The state WIA grantee will provide written results of its review to the LWIB and Youth Council within 14 (fourteen) business days of receipt of the review request.

Step 3: The LWIB must then incorporate all state required modifications into the RFP and/or bidding process if applicable, and resubmit the RFP to potential bidders.

Step 4: If resubmission of the RFP and/or altering the bidding process again results in a lack of bids for youth elements that must be competitively procured, the LWIB may be granted permission to provide such youth elements on a sole source basis, pending approval of a waiver granted to the LWIB by the Governor's Council on Workforce Policy (GCWP).

Step 5: The following documentation must be prepared for the GCWP's consideration prior to the Council's granting permission for an LWIB to provide one or more youth services on a sole source basis:

- Evidence of recent (i.e. within one year) resource mapping to
- determine the availability of youth providers and services in the LWIA.
- Description of the youth element(s) that the LWIB was unable to competitively procure.
- Description of the procurement process including (1) method(s)

used in notifying potential bidders of the RFP; (2) degree to which the LWIB and Youth Council were involved in RFP development; (3) number of LWIB, Youth Council, and grantee/fiscal agent staff involved in reviewing the RFP; (4) review results, including reviewers' comments; and (5) any comments received from non-bidders concerning their inability to submit a response to the RFP.

- LWIB's program design detailing (1) the specific services to be provided to individual youth participants based on the program element(s) relevant to direct service.
- A plan detailing specific steps to be taken to ensure that adequate bids are received that address all youth procurement elements that must be competitively procured.

Note: The existence of language in a Local Plan that calls for the Local Area to provide Youth services without benefit of a competitive process is not in accordance with requirements for WIA procurement and must be amended based on established state guidelines.

ADDENDUM

STATE OF ARIZONA PROCUREMENT GUIDELINES PROCUREMENT OF YOUTH SERVICES BY LOCAL WORKFORCE INVESTMENT BOARDS (LWIBS) UNDER TITLE IB OF THE WORKFORCE INVESTMENT ACT (WIA)

This document was prepared to address questions posed about the administrative procurement procedures and the extent to which providers of youth services must be competitively selected.

Q1. Is the agency/entity that staffs the local workforce investment board allowed to participate in the bidding process for those youth services that must be competitively procured?

A1. No. A basic tenet of the youth procurement process is that it provides for full and open competition and avoids even the appearance of a conflict of interest (either individually or organizationally). "Staff to the board" is not considered an entity distinct from the LWIB for procurement purposes. [Ref: TEGL 9-00, Sec. 7 dated 1/23/01; United Administrative Requirements for Procurement by Governmental Entities, 29 CFR, Sec. 95.42 and 97.36(b)(2)].

With respect to LWIB and Youth Council members who are youth providers, such individuals shall be excluded from the development of the RFP and the development of the evaluation and selection criteria when awarding of a contract could benefit the member's organization. (Ref: The WIA Youth Program RFP Guide, pg. 8 developed by Callahan Consultants for the Department of Labor – Employment and Training Administration, 2000).

Q2. Does a youth training provider have to be on the approved statewide eligible training provider list as training providers of adult and dislocated providers (using Individual Training Accounts) do?

A2. No. Youth providers do not have to be on the approved statewide eligible provider list (ETPL). The ETPL is intended for providers of occupational training for adults and dislocated workers funded through vouchers (ITAs). However, WIA requires that the state maintain a youth provider list for distribution to LWIAs [P.L. 105-220, Section 129(b)(2)(A)]. Arizona's current youth provider list is available on the WIA Section's web site at www.azdes.gov/wia. Local areas are contacted periodically to provide updates to the list.

Q3. What is resource mapping?

A3. Resource mapping is a process that brings together youth-serving organizations to expand the resource base of needed services for youth. The process supports the development of an effective and inclusive RFP process. It is critical that a broad spectrum of youth-serving agencies be involved in the resource mapping process. Among the types of agencies to consider including in the mapping process are secondary and vocational education institutions; faith-based

organizations; community-based organizations (e.g. Boy and Girl Scouts), state agencies (e.g. Juvenile Justice, Foster Children), and other (e.g. military recruiters, employers) targeting youth who may be WIA eligible. [Ref: TEGL 9-03, Section 6 dated 1/23/01].

Q4. Is there a requirement in the WIA regarding the frequency with which youth services must be competitively procured by an LWIB?

A4. No. LWIBs are encouraged to use their own procurement procedures (e.g. procurements approved by their respective county governments) provided that the procurement practices conform to applicable federal laws and state administrative standards.

Q5. Are there youth services for which the competitive procurement process need not apply?

A5. Yes. The local grant recipient may elect not to competitively procure services defined as part of the design framework of the local program (WIA Section 129(c)(1); WIA Final Rule, Sec. 664.405; TEGL 9-00). The program design framework component is an essential ingredient in helping local areas develop comprehensive service strategies for youth based upon their individual needs. The design framework component includes:

- Participant intake activities such as registration, eligibility determination and collection of information to support eligibility verification.
- Objective assessment that identifies service needs, academic levels, goals, interests, skill levels, abilities, aptitudes, and supportive service needs.
- Individual service strategy (ISS) and associated case management services which identify the employment goals, educational objectives, and prescribes appropriate services for the participant. ISS also includes providing information on local youth activities and referrals to the providers of those services.

In addition, the grant recipient may elect to provide *subsidized* summer employment opportunities directly for youth in the local area. Employers providing *unsubsidized* youth employment opportunities may also be excluded from the competitive selection process.

Note: Whether summer employment opportunities are provided directly or competitively procured, direct linkages to academic and occupational learning must be included in such opportunities.

Q6. Would an RFP requiring potential providers to bid on multiple youth services be acceptable?

A6. The state would encourage local boards to develop RFPs in a manner which provides for meaningful competition and increases choices for youth customers. Therefore, bidders should be encouraged to bid on those services for which they are qualified. This is opposed to a “bundled” process under which a potential

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bidder must bid on most or all services (i.e. 10 required program elements) in order to be considered a qualified bidder.

- Q7. What if the local area does not receive proposals from providers for some or all of the required youth program elements?
- A7. In rare instances, a local area may not receive proposals that allow youth services to be competitively awarded. In such instances, the LWIB must notify the state WIA grantee (DES Employment Administration/WIA Section) by following the steps outlined in the state's Youth Procurement Guidelines under the title, "Lack of Qualified Youth Providers" (See pgs. 5 – 6 of the Guidelines).